CHAPTER 11

GOVERNMENT FURNISHED MATERIEL

A. GENERAL

1.   This chapter prescribes policies and procedures for requisitioning GFM by or for contractors from the DoD Supply System. These procedures establish guidelines to requisitioners and authorized contractors and S/As to obtain GFM from DoD inventories in support of contract requirements.

2.   The S/As will assign a unique RI and distribution code to each MCA .

3.   Any attempt to circumvent GFM val idat ion requirements is sufficient cause to refer violation to the appropriate criminal investigating activity to determine possible fraud, waste, and abuse. Violation referrals to criminal investigating activities will be made by the sponsoring Service or monitoring MCA based upon reports of rejected transactions or violations discovered during the post validation process.

B.   APPLICABILITY

These procedures apply to all contractors and all S/A activities requisitioning GFM from DoD supply sources(s) .   The production of ammunition is excluded from GFM control.

c.   **PREPARATION OF** REQUISITIONS AND RELATED TRANSACTIONS FOR **GOVERNMENT MATERIEL** FURNISHED **TO CONTRACTORS**

1.   Requisitions for GFM may be initiated by the responsible S/A or, subject to the terms of the contract, by contractors.   Requisitions for GFM will be prepared and initially submitted by GFM requisitioners, both contractors and S/As, using current MILSTRIP media transmission techniques to the S/A MCA designated for monitoring the contract. Transmission through DAAS will be utilized to the extent practical.

2.   Requisitions and associated transactions containing an S/A code designated for contractors, as specified in appendix B2 (rp 30-35 or rp 45-50 if ship-to address), will be processed under GFM controls and

restrictions except when the signal and fund codes indicate the issue will be with contractor reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions must be processed under GFM controls.

    3. In addition to normal requisition data, GFM requisitions will contain the following:

        a. DIs AO1, A02, A04, A05, AOA, AOB, AOD, AOE, A3_, and A4_ will be in rp 1-3.

        b. RI in rp 4-6 identifying the appropriate S/A MCA monitoring the contract.

        c. Contractor generated requisitions will contain the appropriate contractor DoDAAC in rp 30-35.

        d. S/A generated requisitions for GFM will contain the appropriate contractor DoDAAC in rp 45-50.

        e. When applicable, a signal code in rp 51 to indicate issue without reimbursement.

        f. When applicable, a fund code in rp 52-53 to indicate issue without reimbursement.

        g. At the option of the S/A, a three-character MDN in rp 54-56 may be used in lieu of the PIIN in rp 73-80.

        h. When applicable, the call order number in rp 69-72.

        i. At the option of the S/A, the last eight positions of the PIIN in rp 73-80 in lieu of the MDN in rp 54-56. This entry is mandatory if the MDN is not entered in rp 54-56.

        j. GFM non-NSN requisitions will be identified with an E in rp 68; the call order number, if appropriate, in rp 69-72; and at the option of the S/A, the last eight positions of the PIIN in rp 73-80 in lieu of the MDN in rp 54-56 (this entry is mandatory if the MDN is not entered in rp 54-56) .

D.   SUBMISSION OF **GOVERNMENT** FURNISHED **MATERIEL** REQUISITIONS AND RELATED TRANSACTIONS

     1.   Frequency of submitting GFM requisitions is the prerogative of the requisitioner.   GFM requisitions will be submitted, when necessary, to meet contract requirements.

     2.   GFM requisitions (DI AO) and associated GFM transactions will be initially submitted to an M~~⁻

     3.   It is mandatory that GFM requisitions be forwarded regardless of origin, such as contractor or S/A initiated, to the appropriate S/A MCA for validation.   After validation by the S/A MCA, the MCA will forward validated requisitions to the ICP.   Where the MCA and ICP are collocated, internal passing of transactions is authorized.   When the MCA and ICP are not collocated, the transmission should be via DAAS, where practical.

     4.   Modifier transactions are authorized for GFM requisitions only to modify the project code, PD, advice code, and the RDD.   Modifier documents may not be used to change the SUPADD to a cent ractor's SUPADD. Modifier documents are subject to GFM controls and validation procedures.

E.   **MANAGEMENT** CONTROL **ACTIVITY** PROCESSING **OF GOVERNMENT** FURNISHED **MATERIEL REQUISITIONS** AND RELATED 'TRANSACTIONS

     1.   The MCA will receive GFM requisitions (DIs AO1, A02, A04, A05, AOA, AOB, AOD, and AOE) , passing orders (DI A3)_ , referral orders (DI A4_) , f ollowups (D I AT_) , and modifiers (DI AM only for RDDs, project codes, PDs, and advice codes) .   The MCA may receive supply status (DI AE_) , shipment status (DI AS_) , MOV transactions (DIs AN_ and AP_) , followups (DIs AF_ and AK_) , and cancellations (DI AC) .   All other DIs received by the MCA will be re jetted with Status Code-CR.

     2.   Based upon criteria furnished by procurement/contracting offices, the MCA will validate the data elements and codes in GFM transact ions other than DI Codes AE_, AS_, AF_ AK_, AC_, AN_, and AP_, as indicated in figure 11-1.   The MCA will make changes, reject, or continue processing action on the GFM transactions.

     3.   The MCA will maintain requisition history files to serve as an auditable record of GFM transactions.   In addition, the MCA will generate reports as required by DoDI 4140.48 (reference (rr)) .

4. Under emergency conditions, such as a potential contract work stoppage, the MCA may receive telephonic requisitions, PDs 01-08, for GFM . When this occurs, the MCA may telephone the requisitions to the appropriate supply source and validate the requirements afterward. If the post validation process reveals the requisitioner is not authorized GE'M, the following actions will be taken:

a. Submit cancellation requests to the appropriate supply source.

b. Advise the appropriate criminal investigating agency for determination of fraud, waste, and abuse.

5. Upon completion of the validation process, the MCA will make the following changes and forward the requisitions, or internal requisition transactions (optional only when the MCA and SOS are collocated in the same distribution system) , cancellations, followups, modifiers, passing orders, or referral orders to the applicable supply source through DAAS, if practical:

a. Insert the routing identifier of the supply source in rp 4-6.

b. Insert the distribution code of the MCA validating the transaction in rp 54 or the MDN consisting of the MCA's distribution code in rp 54 and two "other alpha/numeric characters in rp 55-56.

c. Delete the data in rp 69-80.

d. If required by the S/A, insert the RI of the validating MCA in rp 74-76 of the requisition." The MCA RI will be in rp 74-76 of the passing order or referral order.

6. MCAS in receipt of DI AX1 transactions will validate the data contained therein. This validation process must be completed and a DI AX2 transaction created and forwarded to the applicable supply source within 15 days of receipt of the DI AX1 transaction. The format for the DI AX2 transaction is contained in appendix C50. The DI AX1 will be validated as follows:

a . If the requisition has been previously validated, the DI AX2 transaction will contain Advice Code 2M.

b. If the requisition has not *been* previously validated and the call order number/PIIN (or MDN) is not present, the DI AX2 transaction will contain Advice Code 2U.

c. If the requisition has not been previously validated and the call order number/PIIN (or MDN) is present, validate the data elements as indicated in figure 11-1, and generate the DI AX2 transaction as follows:

(1) If the validation process reveals that the contract is not valid, the DI AX2 will contain Advice Code 2U.

(2) If the validation process reveals that the requested quantity exceeds the contract authorized quantity, the DI AX2 will contain Advice Code 2R and the quantity that can be supplied wi 11 be entered in rp 25-29.

(3) If the val idat ion process reveals that the requested quantity exceeds the contract authorized quantity, DI AX2 will contain Advice Code 2Q.

(4) If the validation process reveals that the requested item, or requisitioner, or DoDAAC in rp 45-50, is not authorized GFM under a valid contract, the DI AX2 will contain Advice Code 2V.

(5) If the validation process reveals that the requested item is authorized, the DI AX2 will contain Advice Code 2M.

7. MCAS in receipt of DI AE_ transactions with Status Code BF will review for establishment of a valid requisition. If a valid requisition exists, a DI AT_ transaction will be generated. If a valid requisition does not exist, a report will be generated for internal review. Subsequent receipt of a valid requisition will be processed under the procedures/validation process indicated in figure 11-1.

F. SUPPLY SOURCE **PROCESSING** OF **GOVERNMENT FURNISHED MATERIEL** REQUISITIONS AND **RELATED** TRANSACTIONS

1. Supply sources receiving GFM requisitions, modifiers, passing orders, referral orders, f ollowups, and cancellations, irrespective of method of transmission, will process such transactions under GFM procedures. Supply sources in receipt of GFM requisitions for items not managed by their activity will reject the requisitions with Status Code CH . Supply sources will edit transactions for the prescribed data elements and codes in GFM transactions and correct, cent inue processing

actions, or reject as appropriate. See appendix B16, this manual, for applicable status codes.

2. Supply sources will validate all GFM transactions. Subsequent to performing the edits in chapter 3, supply sources in receipt of requisitions, passing orders, referral orders, modifiers, or f ollowups being treated as requisitions, containing a contractor's service code under appendix B2, in rp 30-35 or in rp 45-50, if ship-to address, will perform the supply source/MCA validation process except when the signal and fund codes indicate the issue will be with contractor reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions will be processed under GFM controls. (NOTE : The supply source/MCA validation process is not required when an internal requisition transaction is received from a collocated MCA in the same distribution system. However, supply sources are required to have safeguards in place to ensure that only internal transactions generated by the collocated MCA are accepted/processed.)

3. Under emergency conditions, supply sources may receive telephonic requisitions (PD 01-08) from the MCA or requisitioner. These requi sit ions may be processed for immediate supply action. Subsequent to taking immediate supply action, the GFM validation process will be accomplished. If the DI AX2 transaction is not received within 15 days of the DI AX1 transaction or the advice code received indicated that the transact ion is not authorized, the incident will be referred to the appropriate criminal invest igat ing agency.

4. The supply source /MCA validation process is as follows:

a. For each GFM requisition or transaction that is treated as a requisition, the supply source will create and forward a DI AX1 transaction to the MCA identified in rp 74-76 or rp 54 of the requisitioner's transaction. The format for the DI AX1 transaction is in appendix C49. If rp 74-76 or rp 54 of the requisitioner's document is blank or invalid, the transaction will be re jetted with Status Code CL.

b. Further supply support act ion on the requisitioner's transaction will be suspended pending receipt of the DI AX2 or until 15 days have elapsed from the date of the DI AX1 transaction, whichever occurs first.

c. If the DI AX2 transaction is not received and 15 days have elapsed, the requisit ioner's transact ion will be re jetted with Status Code DR.

d.   Upon receipt of the DI AX2 transaction, the SOS will process the suspended transaction using instructions provided by the advice code in rp 65-66.

(1) If the advice code is 2U, the suspended transaction will be rejected with Status Code DB.

(2) If the advice code is 2R, the suspended transaction will be processed for the quantity indicated in rp 25-29 of the DI AX2 transaction.   The quantity difference between the suspended transaction and the DI AX2 transaction will be rejected with Status Code DJ.

(3) If the advice code is 2Q, the suspended transaction will be rejected with Status Code DQ.

(4) If the advice code is 2V, the suspended transaction will be rejected with Status Code DN.

(5) If the advice code is 2M, the suspended transaction wi 11 be processed under applicable SOS procedures.

(6) If the advice code is blank or invalid, the suspended transaction will be rejected with Status Code DR.

e.   If a DI AX2 transaction is received, and there is a record of the requisition but a DI AX1 transaction has not been submitted, the DI AX2 transaction will be discarded and a DI AX1 transaction will be generated.

f.   If a DI AX2 transaction is received, and there is no record of the requisition, a DI AE_ transaction, with Status Code BF, will be generated.

5.   Followup documents wi 11 be processed to determine the current status of requisitions or cancellation requests previously submitted. Time standards for dispatching status in reply to followups are as indicated in chapter 3, paragraph U. , this manual.

6.   Supply sources in receipt of DI AT_ transactions, containing a service code designated for contractors, as specified in appendix B2, in rp 30-35 or 45-50, if ship-to address, and having no record of the original requisition, will create and forward a DI AX1 transaction except when the signal and fund codes indicate the issue will be with contractor reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions will be processed under GFM

controls. The processing of the DI AX1 transaction and the responding DI AX2 transaction will be accomplished under procedures contained in this chapter.

G. DEFENSE **AUTOMATIC** ADDRESSING SYSTEM PROCESSING **OF GOVERNMENT FURNISHED MATERIEL** TRANSACTIONS

1. DAAS will pass all GFM requisitions and related transactions to the RI code in rp 4-6 if the RI code identifies an established MCA. If the RI code is not an established MCA, and the distribution code identifies an established MCA or the RI code in rp 74-76 identifies a valid MCA, DAAS will route the transaction. If the RI code is not an established MCA, and the dist ribut ion code does not identify an established MCA or the RI code in rp 74-76 does not identify a valid MCA, the transact ion will be re jetted with Status Code CL.

2. DAAS will pass all DI AX1 transactions to the activity identified with a valid MCA RI code in rp 74-76 or MCA distribution code in rp 54. DI AX1 transactions with an invalid MCA RI code or an invalid MCA distribution code will be re jetted with Status Code CL. All DI AX2 transact ions will be passed to the supply source identified by the RI code in rp 4-6.

CODE OR DATA ELEMENT	**VALIDATION OF ENTRY**
Document Identifier	If DI is AO1, A02, A04, A05, AOA, AOB, AOD, AOE, AT_, A3 , A4_, or AM_ (for RDD, project code, PD, or-advice code) , cent inue the GFM validation.
Stock Number	Verify item requisitioned against a valid contract to determine authority for issue to the contractor. If blank, incorrect, or not authori zeal, reject with Status Code DN.
Unit of Issue	Validate the unit of issue in conjunction with the quantity to ensure that the quantity requisitioned does not exceed the authorized quantity. If quantity is excessive, see validation of quantity field. (NOTE : If a change of unit pack has occurred, appropriate adjustment should be made for quantity authorized.)
Quantity	If item ordered is authorized by cent ract, verify the quantity. If blank or invalid, reject with Status Code CD. If the requisitioned quantity exceeds the remaining quantity authorized, reject the quantity which exceeds the authorized quantity with Status Code DJ. If authorized quantity has been exhausted by previous requisition(s), reject total quantity requisitioned with Status Code DQ .
Requisitioner	If blank or incorrect, discard. If not authorized, reject with Status Code DN.
Document Number	If blank or incorrect, reject with Status Code CD.

Figure 11-1. **Management** Control Activity Validation Process **of**
(Part 1 of 2) **Government Furnished** Materiel Transactions.

CODE OR RATA ELEMENT	**VALIDATION OF ENTRY**
Supplement ary Address	If contractor DoDAAC, and affected by signal code, and incorrect or not authorized, reject with Status Code DN.
Signal and Fund	If signal and fund codes indicate issues without contractor reimbursement, process as GFM; otherwise, consider as CPM. CFM requisitions, except for Army, are not subject to MCA review. All Army contractor requisitions and associated transactions will be processed under GFM controls.
Manuf acturer's Direct ive Number	The MDN may be used in rp 54-56 in lieu of the PIIN in rp 73-80. If the MDN option is used and the MDN equates to a valid contract number, validate; otherwise, reject with Status Code DB.
Contract Call Order Number	If specified by S/A contract, and entry is blank or incorrect, reject with Status Code DB .
Last eight positions of the Procurement Instrument Identification Number	If blank, or contract is not on MCA file, or cent ract has expired, reject with Status Code DB. (If not using the MDN option, rp 54-56, then the last eight positions of the PIIN is mandatory.)

Figure 11-1. **Management** Control **Activity** Validation Process of (Part 2 of 2) **Government Furnished Materiel** Transactions.